



General Assembly

January Session, 2009

Raised Bill No. 6527

LCO No. 3660

03660_____INS

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

AN ACT CONCERNING MINOR CHANGES TO THE INSURANCE AND RELATED STATUTES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (15) of subsection (a) of section 38a-25 of the
2 general statutes is repealed and the following is substituted in lieu
3 thereof (*Effective from passage*):

4 (15) Captive insurers, as defined in section [38a-91k] 38a-91aa, if a
5 registered agent cannot with reasonable diligence be found at the
6 registered office of the captive insurance company.

7 Sec. 2. Subsection (d) of section 38a-91ff of the general statutes is
8 repealed and the following is substituted in lieu thereof (*Effective from*
9 *passage*):

10 (d) In the case of a captive insurance company:

11 (1) [(A)] Formed as a corporation, before the articles of
12 incorporation are transmitted to the Secretary of the State, the
13 incorporators shall petition the Insurance Commissioner to issue a
14 certificate setting forth the commissioner's finding that the

15 establishment and maintenance of the proposed corporation will
16 promote the general good of the state. In arriving at such a finding the
17 commissioner shall consider:

18 [(i)] (A) The character, reputation, financial standing and purposes
19 of the incorporators;

20 [(ii)] (B) The character, reputation, financial responsibility, insurance
21 experience and business qualifications of the officers and directors;
22 and

23 [(iii)] (C) Such other aspects as the commissioner deems advisable.

24 [(B) The articles of incorporation, such certificate and the
25 organization fee shall be transmitted to the Secretary of the State who
26 shall record both the articles of incorporation and the certificate.]

27 (2) Formed as a reciprocal insurer, the organizers shall petition the
28 commissioner to issue a certificate setting forth the commissioner's
29 finding that the establishment and maintenance of the proposed
30 association will promote the general good of the state. In arriving at
31 such a finding the commissioner shall consider the items set forth in
32 [subparagraph (A) of] subdivision (1) of this subsection.

33 (3) Formed as a limited liability company, before the articles of
34 organization are transmitted to the Secretary of the State, the
35 organizers shall petition the commissioner to issue a certificate setting
36 forth the commissioner's finding that the establishment and
37 maintenance of the proposed company will promote the general good
38 of the state. In arriving at such a finding, the commissioner shall
39 consider the items set forth in [subparagraph (A) of] subdivision (1) of
40 this subsection.

41 (4) The articles of incorporation and certificate set forth in
42 subdivisions (1) to (3), inclusive, of this subsection, shall be transmitted
43 to the Secretary of the State along with any fees required by the
44 Secretary of State, who shall record both the articles of incorporation

45 and the certificate.

46 Sec. 3. Section 38a-465a of the general statutes is repealed and the
47 following is substituted in lieu thereof (*Effective from passage*):

48 (a) Except as otherwise provided in this part, no person shall act as a
49 provider or broker until the person is licensed by the commissioner
50 pursuant to this section.

51 (b) Any applicant for a license as a provider or broker shall submit
52 written application to the commissioner. Such applicants shall provide
53 such information as the commissioner requires. All initial applications
54 shall be accompanied by a filing fee specified in section 38a-11.

55 (c) A life insurance producer, who has been duly licensed as a
56 resident insurance producer with a life line of authority in this state or
57 in said producer's home state for not less than one year and is licensed
58 as a nonresident producer pursuant to section 38a-702g, shall be
59 deemed to meet the licensing requirements of this section and shall be
60 permitted to operate as a broker.

61 (d) Not later than thirty days from the first day of operating as a
62 broker, a life insurance producer shall notify the commissioner that
63 said producer is acting as a broker on a form prescribed by the
64 commissioner, and shall pay a filing fee as specified in section 38a-11.
65 Such notification shall include an acknowledgement by the life
66 insurance producer that said producer shall operate as a broker in
67 accordance with this part.

68 (e) The insurer that issued the policy that is the subject of a life
69 settlement contract shall not be responsible for any act or omission of a
70 broker, provider or purchaser arising out of or in connection with the
71 life settlement transaction, unless the insurer receives compensation
72 for the placement of a life settlement contract from the broker,
73 provider or purchaser in connection with such life settlement contract.

74 (f) A person licensed as an attorney, certified public accountant or

75 financial planner accredited by a nationally recognized accreditation
76 agency, who is retained to represent the owner and whose
77 compensation is not paid directly or indirectly by the provider or
78 purchaser, may negotiate life settlement contracts on behalf of the
79 owner without being required to obtain a license as a broker.

80 (g) Any license issued for a provider or broker shall be in force only
81 until the last day of March in each year, but may be renewed by the
82 commissioner without formality other than proper application. The
83 fees for such licenses shall be assessed annually, as provided in section
84 38a-11. If such provider or broker fails to timely pay the renewal fee,
85 such license shall be automatically revoked if the license fee is not
86 received by the commissioner not later than the fifth day after the
87 commissioner sends, by first class mail, a written notice of nonrenewal
88 to the principal office of the provider or broker, provided such notice
89 shall only be mailed after said last day of March.

90 [(h) The term of a provider license shall be equal to that of a
91 domestic stock life insurance company and the term of a broker license
92 shall be equal to that of an insurance producer license. Licenses
93 requiring periodic renewal shall be renewed on their anniversary date
94 upon payment of the renewal fee, as specified in subsection (b) of this
95 section. Failure to pay the fees on or before the renewal date shall
96 result in expiration of the license.]

97 [(i)] (h) Upon the filing of an application and full payment of the
98 license fee, the commissioner shall investigate the applicant and shall
99 issue a license if the commissioner determines that:

100 (1) The applicant, if a provider, has provided a detailed plan of
101 operation;

102 (2) The applicant is competent and trustworthy, and intends to act
103 in good faith pursuant to the license applied for;

104 (3) The applicant has a good business reputation and adequate

105 experience, training or education so as to be qualified in the business
106 for which the license is applied;

107 (4) If the applicant is a corporation, partnership, limited liability
108 company or other legal entity, the applicant is formed or organized
109 pursuant to the laws of this state or is a foreign legal entity authorized
110 to do business in this state, or provides a certificate of good standing
111 from its state of domicile; and

112 (5) The applicant has provided to the commissioner an antifraud
113 plan that meets the requirements of subsection (i) of section 38a-465j
114 and includes:

115 (A) A description of the procedures for detecting and investigating
116 possible fraudulent acts and procedures for resolving material
117 inconsistencies between medical records and insurance applications;

118 (B) A description of the procedures for reporting fraudulent
119 insurance acts to the commissioner;

120 (C) A description of the plan for antifraud education and training of
121 its underwriters and other personnel; and

122 (D) A written description or chart outlining the arrangement of the
123 antifraud personnel responsible for the investigation and reporting of
124 possible fraudulent insurance acts and investigating unresolved
125 material inconsistencies between medical records and insurance
126 applications.

127 ~~[(j)]~~ (i) The applicant shall provide to the commissioner such
128 information as the commissioner may require, on forms approved by
129 the commissioner. The commissioner may, at any time, require the
130 applicant to fully disclose the identity of its stockholders, except
131 stockholders owning less than ten per cent of the shares of an applicant
132 whose shares are publicly traded, partners, officers and employees,
133 and the commissioner may deny any application for a license if the
134 commissioner determines that any partner, officer, employee or

135 stockholder thereof who may materially influence the applicant's
136 conduct fails to meet any of the standards set forth in sections 38a-465
137 to 38a-465q, inclusive.

138 [(k)] (j) A license issued to a corporation, partnership, limited
139 liability company or other legal entity authorizes all of such legal
140 entity's members, officers and designated employees named in the
141 application for such license, and any supplements to the application, to
142 act as a licensee under such license.

143 [(l)] (k) The commissioner shall not issue any license to any
144 nonresident applicant unless a written designation of an agent for
145 service of process is filed and maintained with the commissioner or
146 unless the applicant has filed with the commissioner the applicant's
147 written irrevocable consent that any action against the applicant may
148 be commenced against the applicant by service of process on the
149 commissioner.

150 [(m)] (l) Each licensee shall file with the commissioner on or before
151 the first day of March of each year an annual statement containing
152 such information as the commissioner may prescribe by regulation.

153 [(n)] (m) A provider shall not use any person to perform the
154 functions of a broker, as defined in this part, unless such person holds
155 a current, valid license as a broker and as provided in this section.

156 [(o)] (n) A broker shall not use any person to perform the functions
157 of a provider, as defined in this part, unless such person holds a
158 current, valid license as a provider and as provided in this section.

159 [(p)] (o) A provider or broker shall provide to the commissioner
160 new or revised information about officers, stockholders holding ten
161 per cent or more of the company's stock, partners, directors, members
162 or designated employees not later than thirty days after the change in
163 information.

164 [(q)] (p) An individual licensed as a broker shall complete, on a

165 biennial basis, fifteen hours of training related to life settlements and
166 life settlement transactions, except that a life insurance producer
167 operating as a broker pursuant to this section shall not be subject to the
168 requirements of this subsection. Any person failing to meet the
169 requirements of this subsection shall be subject to the penalties
170 imposed by the commissioner.

171 Sec. 4. Section 38a-465g of the general statutes is repealed and the
172 following is substituted in lieu thereof (*Effective from passage*):

173 (a) Before entering into a life settlement contract with any owner of
174 a policy wherein the insured is terminally ill or chronically ill, a
175 provider shall obtain:

176 (1) If the owner is the insured, a written statement from a licensed
177 attending physician that the owner is of sound mind and under no
178 constraint or undue influence to enter into the settlement contract; and

179 (2) A document in which the insured consents to the release of the
180 insured's medical records to a provider, broker or insurance producer,
181 and, if the policy was issued less than two years from the date of
182 application for a settlement contract, to the insurance company that
183 issued the policy.

184 (b) The insurer shall respond to a request for verification of
185 coverage submitted by a provider, broker or life insurance producer on
186 a form approved by the commissioner not later than thirty calendar
187 days after the date the request was received. The insurer shall
188 complete and issue the verification of coverage or indicate in which
189 respects it is unable to respond. In its response, the insurer shall
190 indicate whether, based on the medical evidence and documents
191 provided, the insurer intends to pursue an investigation regarding the
192 validity of the policy.

193 (c) Prior to or at the time of execution of the settlement contract, the
194 provider shall obtain a witnessed document in which the owner

195 consents to the settlement contract, represents that the owner has a full
196 and complete understanding of the settlement contract, that the owner
197 has a full and complete understanding of the benefits of the policy,
198 acknowledges that the owner is entering into the settlement contract
199 freely and voluntarily and, for persons with a terminal or chronic
200 illness or condition, acknowledges that the insured has a terminal or
201 chronic illness or condition and that the terminal or chronic illness or
202 condition was diagnosed after the life insurance policy was issued.

203 (d) If a broker or life insurance producer performs any of the
204 activities required of the provider under this section, the provider shall
205 be deemed to have fulfilled the requirements of this section.

206 [(e) If a broker performs the verification of coverage activities
207 required of the provider, the provider shall be deemed to have fulfilled
208 the requirements of subsection (a) of section 38a-465f.]

209 [(f)] (e) The insurer shall not unreasonably delay effecting change of
210 ownership or beneficiary with any life settlement contract lawfully
211 entered into in this state or with a resident of this state.

212 [(g)] (f) Not later than twenty days after an owner executes the life
213 settlement contract, the provider shall give written notice to the insurer
214 that issued the policy that the policy has become subject to a life
215 settlement contract. The notice shall be accompanied by [the
216 documents set forth in subsection (c) of section 38a-465h] a copy of the
217 medical records release required under subdivision (2) of subsection
218 (a) of this section and a copy of the insured's application for the life
219 settlement contract.

220 [(h)] (g) All medical information solicited or obtained by any person
221 licensed pursuant to this part shall be subject to applicable provisions
222 of law relating to the confidentiality of medical information.

223 [(i)] (h) Each life settlement contract entered into in this state shall
224 provide that the owner may rescind the contract not later than fifteen

225 days from the date it is executed by all parties thereto. Such rescission
226 exercised by the owner shall be effective only if both notice of
227 rescission is given to the provider and the owner repays all proceeds
228 and any premiums, loans and loan interest paid by the provider within
229 the rescission period. A failure to provide written notice of the right of
230 rescission shall toll the period of such right until thirty days after the
231 written notice of the right of rescission has been given. If the insured
232 dies during the rescission period, the contract shall be deemed to have
233 been rescinded, subject to repayment by the owner or the owner's
234 estate of all proceeds and any premiums, loans and loan interest to the
235 provider.

236 [(j)] (i) Not later than three business days after the date the provider
237 receives the documents from the owner to effect the transfer of the
238 insurance policy, the provider shall pay or transfer the proceeds of the
239 settlement into an escrow or trust account managed by a trustee or
240 escrow agent in a state or federally-chartered financial institution
241 whose deposits are insured by the Federal Deposit Insurance
242 Corporation. Not later than three business days after receiving
243 acknowledgment of the transfer of the insurance policy from the issuer
244 of the policy, said trustee or escrow agent shall pay the settlement
245 proceeds to the owner.

246 [(k)] (j) Failure to tender the life settlement contract proceeds to the
247 owner within the time set forth in section 38a-465f shall render the
248 viatical settlement contract voidable by the owner for lack of
249 consideration until the time such consideration is tendered to, and
250 accepted by, the owner.

251 [(l)] (k) Any fee paid by a provider, party, individual or an owner to
252 a broker in exchange for services provided to the owner pertaining to a
253 life settlement contract shall be computed as a percentage of the offer
254 obtained and not as a percentage of the face value of the policy.
255 Nothing in this section shall be construed to prohibit a broker from
256 reducing such broker's fee below such percentage.

257 [(m)] (l) Each broker shall disclose to the owner anything of value
258 paid or given to such broker in connection with a life settlement
259 contract concerning the owner.

260 [(n)] (m) No person at anytime prior to, or at the time of, the
261 application for or issuance of a policy, or during a two-year period
262 commencing with the date of issuance of the policy, shall enter into a
263 life settlement contract regardless of the date the compensation is to be
264 provided and regardless of the date the assignment, transfer, sale,
265 devise, bequest or surrender of the policy is to occur. This prohibition
266 shall not apply if the owner certifies to the provider that:

267 (1) The policy was issued upon the owner's exercise of conversion
268 rights arising out of a group or individual policy, provided the total of
269 the time covered under the conversion policy plus the time covered
270 under the prior policy is not less than twenty-four months. The time
271 covered under a group policy must be calculated without regard to a
272 change in insurance carriers, provided the coverage has been
273 continuous and under the same group sponsorship; or

274 (2) The owner submits independent evidence to the provider that
275 one or more of the following conditions have been met within said
276 two-year period: (A) The owner or insured is terminally ill or
277 chronically ill; (B) the owner or insured disposes of the owner or
278 insured's ownership interests in a closely held corporation, pursuant to
279 the terms of a buyout or other similar agreement in effect at the time
280 the insurance policy was initially issued; (C) the owner's spouse dies;
281 (D) the owner divorces his or her spouse; (E) the owner retires from
282 full-time employment; (F) the owner becomes physically or mentally
283 disabled and a physician determines that the disability prevents the
284 owner from maintaining full-time employment; or (G) a final order,
285 judgment or decree is entered by a court of competent jurisdiction on
286 the application of a creditor of the owner, adjudicating the owner
287 bankrupt or insolvent, or approving a petition seeking reorganization
288 of the owner or appointing a receiver, trustee or liquidator to all or a

289 substantial part of the owner's assets.

290 [(o)] (n) Copies of the independent evidence required by
291 subdivision (2) of subsection [(n)] (m) of this section shall be submitted
292 to the insurer when the provider submits a request to the insurer for
293 verification of coverage. The copies shall be accompanied by a letter of
294 attestation from the provider that the copies are true and correct copies
295 of the documents received by the provider. Nothing in this section
296 shall prohibit an insurer from exercising its right to contest the validity
297 of any policy.

298 [(p)] (o) If, at the time the provider submits a request to the insurer
299 to effect the transfer of the policy to the provider, the provider submits
300 a copy of independent evidence of subparagraph (A) of subdivision (2)
301 of subsection [(n)] (m) of this section, such copy shall be deemed to
302 establish that the settlement contract satisfies the requirements of this
303 section.

304 Sec. 5. Subsection (b) of section 38a-479rr of the general statutes is
305 repealed and the following is substituted in lieu thereof (*Effective from*
306 *passage*):

307 (b) (1) A current and accurate list of authorized marketers, specified
308 in subparagraph (M) of subdivision (2) of subsection (a) of this section,
309 shall be submitted to the commissioner with each renewal fee, as set
310 forth in subsection (c) of this section.

311 (2) Any change made to the list of authorized marketers, specified in
312 subparagraph (M) of subdivision (2) of subsection (a) of this section,
313 shall be electronically filed with the commissioner. If such change is to
314 add a marketer to a medical discount plan organization's list of
315 authorized marketers, such change shall be electronically filed by such
316 organization prior to the marketer doing business in the state for such
317 organization.

318 (3) The commissioner may adopt regulations, in accordance with

319 chapter 54, to establish the procedure and format of the electronic
320 filing [and acknowledgment] set forth in this subsection.

321 Sec. 6. Subsection (v) of section 38a-479rr of the general statutes is
322 repealed and the following is substituted in lieu thereof (*Effective*
323 *October 1, 2009*):

324 (v) (1) A medical discount plan organization may market directly or
325 contract with marketers for the distribution of a medical discount plan.
326 The medical discount plan organization shall execute a written
327 agreement with a marketer and comply with the requirements set forth
328 in subparagraph (M) of subdivision (2) of subsection (a) or subsection
329 (b) of this section, as applicable, prior to the marketing, advertising or
330 selling of such medical discount plan by such marketer. Such written
331 agreement shall prohibit the marketer from using any advertising and
332 marketing materials, including, but not limited to, brochures and
333 medical discount plan cards, without the written approval of the
334 medical discount plan organization prior to the usage of such
335 advertising and marketing materials.

336 (2) If a marketer uses any marketing or advertising materials that
337 are in violation of subsection (b) of section 38a-479qq, the
338 commissioner may order a medical discount plan organization to
339 immediately remove such marketer from such medical discount plan
340 organization's list of authorized marketers specified in subparagraph
341 (M) of subdivision (2) of subsection (a) of this section. [In addition, the
342 commissioner may order the medical discount plan organization to
343 return membership fees paid by residents of the state who were
344 harmed by such violation.]

345 (3) During an investigation by the commissioner of an alleged
346 violation set forth in subdivision (2) of this subsection, a medical
347 discount plan organization shall make available to the commissioner,
348 upon request, a copy of such organization's contract with such
349 marketer, and any marketing and advertising materials of such
350 marketer.

351 Sec. 7. Section 38a-492j of the general statutes is repealed and the
352 following is substituted in lieu thereof (*Effective from passage*):

353 Each individual health insurance policy providing coverage of the
354 type specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-
355 469 delivered, issued for delivery, renewed, amended or continued in
356 this state on or after October 1, 2000, that provides coverage for ostomy
357 surgery shall include coverage, up to one thousand dollars annually,
358 for medically necessary appliances and supplies relating to an ostomy
359 including, but not limited to, collection devices, irrigation equipment
360 and supplies, skin barriers and skin protectors. As used in this section,
361 "ostomy" includes colostomy, ileostomy and urostomy. Payments
362 under this section shall not be applied to any policy maximums for
363 durable medical equipment. Nothing in this section shall be deemed to
364 decrease policy benefits in excess of the limits in this section.

365 Sec. 8. Section 38a-504 of the general statutes is repealed and the
366 following is substituted in lieu thereof (*Effective from passage*):

367 (a) Each insurance company, hospital service corporation, medical
368 service corporation, health care center or fraternal benefit society
369 [which] that delivers, [or] issues for delivery, renews, amends or
370 continues in this state individual health insurance policies providing
371 coverage of the type specified in subdivisions (1), (2), (4), (10), (11) and
372 (12) of section 38a-469, shall provide coverage under such policies for
373 the surgical removal of tumors and treatment of leukemia, including
374 outpatient chemotherapy, reconstructive surgery, cost of any
375 nondental prosthesis including any maxillo-facial prosthesis used to
376 replace anatomic structures lost during treatment for head and neck
377 tumors or additional appliances essential for the support of such
378 prosthesis, outpatient chemotherapy following surgical procedure in
379 connection with the treatment of tumors, and a wig if prescribed by a
380 licensed oncologist for a patient who suffers hair loss as a result of
381 chemotherapy. Such benefits shall be subject to the same terms and
382 conditions applicable to all other benefits under such policies.

383 (b) Except as provided in subsection (c) of this section, the coverage
 384 required by subsection (a) of this section shall provide at least a yearly
 385 benefit of five hundred dollars for the surgical removal of tumors, five
 386 hundred dollars for reconstructive surgery, five hundred dollars for
 387 outpatient chemotherapy, three hundred fifty dollars for a wig and
 388 three hundred dollars for a nondental prosthesis, except that for
 389 purposes of the surgical removal of breasts due to tumors the yearly
 390 benefit for prosthesis shall be at least three hundred dollars for each
 391 breast removed.

392 (c) The coverage required by subsection (a) of this section shall
 393 provide benefits for the reasonable costs of reconstructive surgery on
 394 each breast on which a mastectomy has been performed, and
 395 reconstructive surgery on a nondiseased breast to produce a
 396 symmetrical appearance. Such benefits shall be subject to the same
 397 terms and conditions applicable to all other benefits under such
 398 policies. For the purposes of this subsection, reconstructive surgery
 399 includes, but is not limited to, augmentation mammoplasty, reduction
 400 mammoplasty and mastopexy.

401 Sec. 9. Subsection (a) of section 38a-517a of the general statutes is
 402 repealed and the following is substituted in lieu thereof (*Effective from*
 403 *passage*):

404 (a) Each group health insurance policy providing coverage of the
 405 type specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-
 406 469 delivered, issued for delivery, renewed, amended or continued in
 407 this state on or after January 1, [2000] 2010, shall provide coverage for
 408 general anesthesia, nursing and related hospital services provided in
 409 conjunction with in-patient, outpatient or one-day dental services if the
 410 following conditions are met:

411 (1) The anesthesia, nursing and related hospital services are deemed
 412 medically necessary by the treating dentist or oral surgeon and the
 413 patient's primary care physician in accordance with the health
 414 insurance policy's requirements for prior authorization of services; and

415 (2) The patient is either (A) determined by a licensed dentist, in
416 conjunction with a licensed physician who specializes in primary care,
417 to have a dental condition of significant dental complexity that it
418 requires certain dental procedures to be performed in a hospital, or (B)
419 a person who has a developmental disability, as determined by a
420 licensed physician who specializes in primary care, that places the
421 person at serious risk.

422 Sec. 10. Section 38a-518j of the general statutes is repealed and the
423 following is substituted in lieu thereof (*Effective from passage*):

424 Each group health insurance policy providing coverage of the type
425 specified in subdivisions (1), (2), (4), (11) and (12) of section 38a-469
426 delivered, issued for delivery, renewed, amended or continued in this
427 state on or after October 1, [2000] 2010, that provides coverage for
428 ostomy surgery shall include coverage, up to one thousand dollars
429 annually, for medically necessary appliances and supplies relating to
430 an ostomy including, but not limited to, collection devices, irrigation
431 equipment and supplies, skin barriers and skin protectors. As used in
432 this section, "ostomy" includes colostomy, ileostomy and urostomy.
433 Payments under this section shall not be applied to any policy
434 maximums for durable medical equipment. Nothing in this section
435 shall be deemed to decrease policy benefits in excess of the limits in
436 this section.

437 Sec. 11. Section 38a-542 of the general statutes is repealed and the
438 following is substituted in lieu thereof (*Effective from passage*):

439 (a) Each insurance company, hospital service corporation, medical
440 service corporation, health care center or fraternal benefit society
441 [which] that delivers, [or] issues for delivery, renews, amends or
442 continues in this state group health insurance policies providing
443 coverage of the type specified in subdivisions (1), (2), (4), (11) and (12)
444 of section 38a-469 shall provide coverage under such policies for
445 treatment of leukemia, including outpatient chemotherapy,
446 reconstructive surgery, cost of any nondental prosthesis, including any

447 maxillo-facial prosthesis used to replace anatomic structures lost
448 during treatment for head and neck tumors or additional appliances
449 essential for the support of such prosthesis, outpatient chemotherapy
450 following surgical procedures in connection with the treatment of
451 tumors, a wig if prescribed by a licensed oncologist for a patient who
452 suffers hair loss as a result of chemotherapy, and costs of removal of
453 any breast implant which was implanted on or before July 1, 1994,
454 without regard to the purpose of such implantation, which removal is
455 determined to be medically necessary. Such benefits shall be subject to
456 the same terms and conditions applicable to all other benefits under
457 such policies.

458 (b) Except as provided in subsection (c) of this section, the coverage
459 required by subsection (a) of this section shall provide at least a yearly
460 benefit of one thousand dollars for the costs of removal of any breast
461 implant, five hundred dollars for the surgical removal of tumors, five
462 hundred dollars for reconstructive surgery, five hundred dollars for
463 outpatient chemotherapy, three hundred fifty dollars for a wig and
464 three hundred dollars for a nondental prosthesis, except that for
465 purposes of the surgical removal of breasts due to tumors the yearly
466 benefit for prosthesis shall be at least three hundred dollars for each
467 breast removed.

468 (c) The coverage required by subsection (a) of this section shall
469 provide benefits for the reasonable costs of reconstructive surgery on
470 each breast on which a mastectomy has been performed, and
471 reconstructive surgery on a nondiseased breast to produce a
472 symmetrical appearance. Such benefits shall be subject to the same
473 terms and conditions applicable to all other benefits under such
474 policies. For the purposes of this subsection, reconstructive surgery
475 includes, but is not limited to, augmentation mammoplasty, reduction
476 mammoplasty and mastopexy.

477 Sec. 12. Section 14-64 of the general statutes is repealed and the
478 following is substituted in lieu thereof (*Effective from passage*):

479 The commissioner may suspend or revoke the license or licenses of
480 any licensee or impose a civil penalty of not more than one thousand
481 dollars for each violation on any licensee or both, when, after notice
482 and hearing, the commissioner finds that the licensee (1) has violated
483 any provision of any statute or regulation of any state or any federal
484 statute or regulation pertaining to its business as a licensee or has
485 failed to comply with the terms of a final decision and order of any
486 state department or federal agency concerning any such provision; or
487 (2) has failed to maintain such records of transactions concerning the
488 purchase, sale or repair of motor vehicles or major component parts, as
489 required by such regulations as shall be adopted by the commissioner,
490 for a period of two years after such purchase, sale or repairs, provided
491 the records shall include the vehicle identification number and the
492 name and address of the person from whom each vehicle or part was
493 purchased and to whom each vehicle or part was sold, if a sale
494 occurred; or (3) has failed to allow inspection of such records by the
495 commissioner or the commissioner's representative during normal
496 business hours, provided written notice stating the purpose of the
497 inspection is furnished to the licensee, or has failed to allow inspection
498 of such records by any representative of the Division of State Police
499 within the Department of Public Safety or any organized local police
500 department, which inspection may include examination of the
501 premises to determine the accuracy of such records; or (4) has made a
502 false statement as to the condition, prior ownership or prior use of any
503 motor vehicle sold, exchanged, transferred, offered for sale or repaired
504 if the licensee knew or should have known that such statement was
505 false; or (5) is not qualified to conduct the licensed business, applying
506 the standards of section 14-51 and the applicable regulations; or (6) has
507 violated any provision of sections 42-221 to 42-226, inclusive; or (7) has
508 failed to fully execute or provide the buyer with (A) an order as
509 described in section 14-62, (B) the properly assigned certificate of title,
510 or (C) a temporary transfer or new issue of registration; or (8) has
511 failed to deliver a motor vehicle free and clear of all liens, unless
512 written notification is given to the buyer stating such motor vehicle

513 shall be purchased subject to a lien; or (9) has violated any provision of
514 sections 14-65f to 14-65j, inclusive, 14-65l, 14-65m or section 38a-465a,
515 as amended by this act; or (10) has used registration number plates
516 issued by the commissioner, in violation of the provisions and
517 standards set forth in sections 14-59 and 14-60 and the applicable
518 regulations; or (11) has failed to secure or to account for or surrender
519 to the commissioner on demand official registration plates or any other
520 official materials in its custody. In addition to, or in lieu of, the
521 imposition of any other penalties authorized by this section, the
522 commissioner may order any such licensee to make restitution to any
523 aggrieved customer.

524 Sec. 13. Section 14-65e of the general statutes is repealed and the
525 following is substituted in lieu thereof (*Effective from passage*):

526 For the purposes of sections 14-65f to 14-65j, inclusive, and 14-65l
527 and 14-65m, "motor vehicle repair shop" or "repair shop" means a new
528 car dealer, a used car dealer, a repairer, or a limited repairer, as
529 defined in section 14-51, or their agents or employees.

530 Sec. 14. Subsection (a) of section 14-65g of the general statutes is
531 repealed and the following is substituted in lieu thereof (*Effective from*
532 *passage*):

533 (a) A customer may waive his right to the estimate of the costs of
534 parts and labor required by section 14-65f, only in writing in
535 accordance with this section. Such a waiver shall include an
536 authorization to perform reasonable and necessary repairs to remedy
537 the problems complained of, at a cost not to exceed a fixed dollar
538 amount. The waiver shall be signed by the customer and the customer
539 shall be given a fully completed copy of the waiver at the time it is
540 signed. No repair shop shall use waivers to evade its duties under
541 sections 14-65e to 14-65j, inclusive, and 14-65l and 14-65m.

542 Sec. 15. Section 14-65k of the general statutes is repealed and the
543 following is substituted in lieu thereof (*Effective from passage*):

544 (a) The Commissioner of Motor Vehicles may conduct
 545 investigations and hold hearings on any matter under the provisions of
 546 sections 14-51 to 14-65j, inclusive, and 14-65l and 14-65m. The
 547 commissioner may issue subpoenas, administer oaths, compel
 548 testimony and order the production of books, records and documents.
 549 If any person refuses to appear, to testify or to produce any book,
 550 record, paper or document when so ordered, upon application of the
 551 commissioner, a judge of the Superior Court may make such order as
 552 may be appropriate to aid in the enforcement of this section.

553 (b) The Attorney General, at the request of the commissioner, is
 554 authorized to apply in the name of the state of Connecticut to the
 555 Superior Court for an order temporarily or permanently restraining
 556 and enjoining any person from violating any provision of sections 14-
 557 51 to 14-65j, inclusive, and 14-65l and 14-65m.

558 Sec. 16. Section 29-152n of the general statutes is repealed and the
 559 following is substituted in lieu thereof (*Effective from passage*):

560 Any person who violates any provision of sections 29-152e to
 561 29-152m, inclusive, [and 38a-660a] shall be guilty of a class D felony.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	38a-25(a)(15)
Sec. 2	<i>from passage</i>	38a-91ff(d)
Sec. 3	<i>from passage</i>	38a-465a
Sec. 4	<i>from passage</i>	38a-465g
Sec. 5	<i>from passage</i>	38a-479rr(b)
Sec. 6	<i>October 1, 2009</i>	38a-479rr(v)
Sec. 7	<i>from passage</i>	38a-492j
Sec. 8	<i>from passage</i>	38a-504
Sec. 9	<i>from passage</i>	38a-517a(a)
Sec. 10	<i>from passage</i>	38a-518j
Sec. 11	<i>from passage</i>	38a-542
Sec. 12	<i>from passage</i>	14-64
Sec. 13	<i>from passage</i>	14-65e

Sec. 14	<i>from passage</i>	14-65g(a)
Sec. 15	<i>from passage</i>	14-65k
Sec. 16	<i>from passage</i>	29-152n

Statement of Purpose:

To make conforming and clarifying changes to the insurance and related statutes.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]